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C O N F I D E N T I A L SECTION 01 OF 02 TEL AVIV 000359

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TAGS: [PREL](#) [POV](#) [KWBG](#) [KPAL](#) [SP](#) [IS](#)  
SUBJECT: ISRAELI MADRID PARTICIPANTS ON SAUDI INITIATIVE,  
CONFERENCE, AND SYRIA

REF: MADRID 0078

Classified By: Charge d'Affaires Gene A. Cretz; Reasons 1.4 (B and D).

¶1. (C) Summary and comment: Israeli participants in the Madrid-plus-fifteen conference held January 10-12 (reftel) have told the Embassy and the press that they seek "the end of gradualism" and a focus on final status negotiations as the best way to reach peace with the Palestinians. To break what they see as the current impasse in talks, they encourage adoption of an adapted Saudi/Arab League initiative. They base this policy on the assessment that moderate Arab states now share common interests with Israel in fighting extremism in the region. They advocate efforts to separate Syria from its allies in Iran, Hizballah, and Hamas, noting that much of their time in Madrid was spent discussing the possibilities of an Israeli-Syrian peace. Madrid participants agreed to form a "semi-permanent roundtable" to continue the process. All support some sort of international conference to advance the cause of Middle East peace. Although these views play a role in GOI policy making through Labor's membership in the coalition, few of them track with those held by PM Ehud Olmert, FM Tzipi Livni, or others with real decision-making authority for Israeli policy toward peace with the Arabs. End summary and comment.

¶2. (C) Former FM Shlomo Ben-Ami, the primary force behind Israeli track-two participation in Madrid, told the press that "the two-state solution is still on the table, but the peacemakers need to be advised ... time is running out." Labor parliamentarian Ophir Pines-Paz was more to the point when he told the Ambassador that the Palestinians are involved in a civil war and that "Israel cannot accept it if Hamas wins." He argued that the Roadmap is "dead, not because it was not good, but because it was not laid out in the right order or deployed at the right time." Labor parliamentarian Colette Avital told poloff that most Madrid participants agreed on the importance of final status negotiations, believe that the idea of a Palestinian state with provisional borders is "out of the question," and therefore advocate an "end to gradualism." Several of the Israeli participants -- all from the Israeli left -- told the Embassy that they also believe that PM Ehud Olmert and President Mahmud Abbas are politically weak and unable to maintain drawn-out peace negotiations without the support of regional states as well as that of the U.S. and Europe.

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Accepting the Saudi (Arab League) Initiative ...  
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¶3. (C) To break what they see as an impasse, the Israeli Madrid participants advocate reconsideration of the Saudi initiative. Pini Meidan, a retired Mossad officer who served as foreign policy adviser to Ehud Barak, told PolCouns that the Saudi plan -- with unspecified modifications -- could form the "basis for a new overall approach." Pines-Paz

suggested that the Quartet adopt the main principles of the plan, "painting it a different color," to lend it legitimacy inside Israel, where any Arab plan would face opposition. Meidan, who noted that Israeli delegates had met with the Saudi Ambassador (Prince Saud Bin Naif Bin Abdulaziz Al-Saud) to Spain, stressed the importance of a plan already accepted by "all the Arab states" that implicitly accepts Israel's right to exist and security needs.

14. (C) A new strategic perception underlies the Israeli delegates' renewed interest in the Saudi plan. Avital told the press that "the recent war in Lebanon, Islamic radicalization and the threat posed by Iran to all have created a realignment in our area. Today we share common interests with the moderate Arab states." She added, "we have an opportunity to team up with the Arabs versus the extremists, but there is a price," which she described as an agreement with the Palestinians. Pines-Paz and Meidan echoed these views in separate meetings.

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... and the Utility of an International Conference  
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15. (C) Meidan said that participants had agreed to form a number of "semi-permanent round tables." The Israeli effort will be led by Ben-Ami and focus on track II issues, especially on how to adopt parts of the Saudi initiative. The Israelis generally agreed on the utility of a follow-on international conference to advance peace efforts as advocated by Spanish FM Miguel Angel Moratinos (reftel), but disagreed among themselves on the format. Pines-Paz called for a regional conference including the Quartet plus the Israelis, Palestinians, Jordanians, Egyptians, and possibly

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the Saudis. Avital told the press she supports "a meeting of top Israeli politicians with members of the Arab League to discuss the Arab initiative." She later told poloff that the conference proposed by Spain would only be a "starter" and not "a means not an end." Avital also noted that most Madrid participants had agreed on the importance of some sort of international presence to monitor any agreement.

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Breaking the Syria-Iran-Hizballah-Hamas Axis  
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16. (C) Israeli participants said they spent much of their time in Madrid discussing the possibilities of peace with Syria. Pines-Paz told the Ambassador that we are "close to the point where we cannot bring Syria back" from its alliance with Iran, Hizballah, and Hamas. In his view, Israel can only withdraw from the Golan Heights in return for a break in this alliance, a message he said he conveyed directly to Syrian representatives in Madrid (Riad Dauoudi and Bushra Kanafani). Their reply was that these issues could be discussed during negotiations, but should not be preconditions to talks. Meidan maintained that the Syrians in Madrid were under orders not to speak with the Israeli delegation, but he said the Syrians listened carefully when Israelis spoke at the plenary sessions. Pines-Paz expressed surprise that the Europeans appear to be focused on the Palestinian track and have thus far proven relatively immune to the Syrians' offer to talk.

17. (C) Comment: The Israeli participants in Madrid were primarily from Labor; former Justice Minister Dan Meridor added the appearance of center-right balance. Although their views play into GOI policy through Labor's membership in the coalition, few of these ideas -- except perhaps for the concept of shared interests with moderate Arab states -- currently track with those held by PM Olmert, FM Livni, and the other decision makers in the cabinet. We would welcome Embassy Riyadh's comments on Prince Saud bin Naif's participation in a high-profile meeting with Israelis. End

comment.

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